



General Assembly

January Session, 2003

Raised Bill No. 1162

LCO No. 4569

Referred to Committee on Education

Introduced by:
(ED)

***AN ACT CONCERNING THE EDUCATION COST SHARING GRANT
AND THE PROPERTY TAX CREDIT.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Subdivision (9) of section 10-262f of the general statutes is
2 repealed and the following is substituted in lieu thereof (*Effective July*
3 *1, 2003*):

4 (9) "Foundation" means (A) for the fiscal year ending June 30, 1990,
5 three thousand nine hundred eighteen dollars, (B) for the fiscal year
6 ending June 30, 1991, four thousand one hundred ninety-two dollars,
7 (C) for the fiscal year ending June 30, 1992, four thousand four
8 hundred eighty-six dollars, (D) for the fiscal years ending June 30,
9 1993, June 30, 1994, and June 30, 1995, four thousand eight hundred
10 dollars, (E) for the fiscal years ending June 30, 1996, June 30, 1997, and
11 June 30, 1998, five thousand seven hundred eleven dollars, (F) for the
12 fiscal year ending June 30, 1999, five thousand seven hundred seventy-
13 five dollars, [and] (G) for the fiscal years ending June 30, 2000, to June
14 30, 2003, inclusive, five thousand eight hundred ninety-one dollars, (H)
15 for the fiscal year ending June 30, 2004, six thousand dollars, and (I) for
16 the fiscal year ending June 30, 2005, and each fiscal year thereafter, the

17 amount for the prior fiscal year increased by the percentage increase, if
 18 any, in the most recent calendar year average in the consumer price
 19 index for urban consumers.

20 Sec. 2. Subsections (b) and (c) of section 12-704c of the general
 21 statutes are repealed and the following is substituted in lieu thereof
 22 *(Effective from passage and applicable to taxable years commencing on or after*
 23 *January 1, 2003):*

24 (b) The credit allowed under this section shall not exceed two
 25 hundred fifteen dollars for the taxable year commencing on or after
 26 January 1, 1997, and prior to January 1, 1998; for taxable years
 27 commencing on or after January 1, 1998, but prior to January 1, 1999,
 28 three hundred fifty dollars; for taxable years commencing on or after
 29 January 1, 1999, but prior to January 1, 2000, four hundred twenty-five
 30 dollars; [and] for taxable years commencing on or after January 1, 2000,
 31 but prior to January 1, 2003, five hundred dollars; and for taxable years
 32 commencing on or after January 1, 2003, two hundred thirty-five
 33 dollars. In the case of any husband and wife who file a return under
 34 the federal income tax for such taxable year as married individuals
 35 filing a joint return, the credit allowed, in the aggregate, shall not
 36 exceed such amounts for each such taxable year.

37 (c) (1) (A) For taxable years commencing prior to January 1, 2000, in
 38 the case of any such taxpayer who files under the federal income tax
 39 for such taxable year as an unmarried individual whose Connecticut
 40 adjusted gross income exceeds fifty-two thousand five hundred
 41 dollars, the amount of the credit that exceeds one hundred dollars shall
 42 be reduced by ten per cent for each ten thousand dollars, or fraction
 43 thereof, by which the taxpayer's Connecticut adjusted gross income
 44 exceeds said amount.

45 (B) For taxable years commencing on or after January 1, 2000, but
 46 prior to January 1, 2001, in the case of any such taxpayer who files
 47 under the federal income tax for such taxable year as an unmarried
 48 individual whose Connecticut adjusted gross income exceeds fifty-

49 three thousand five hundred dollars, the amount of the credit that
50 exceeds one hundred dollars shall be reduced by ten per cent for each
51 ten thousand dollars, or fraction thereof, by which the taxpayer's
52 Connecticut adjusted gross income exceeds said amount.

53 (C) For taxable years commencing on or after January 1, 2001, but
54 prior to January 1, [2004] 2003, in the case of any such taxpayer who
55 files under the federal income tax for such taxable year as an
56 unmarried individual whose Connecticut adjusted gross income
57 exceeds fifty-four thousand five hundred dollars, the amount of the
58 credit that exceeds one hundred dollars shall be reduced by ten per
59 cent for each ten thousand dollars, or fraction thereof, by which the
60 taxpayer's Connecticut adjusted gross income exceeds said amount.

61 [(D) For taxable years commencing on or after January 1, 2004, but
62 prior to January 1, 2005, in the case of any such taxpayer who files
63 under the federal income tax for such taxable year as an unmarried
64 individual whose Connecticut adjusted gross income exceeds fifty-five
65 thousand five hundred dollars, the amount of the credit that exceeds
66 one hundred dollars shall be reduced by ten per cent for each ten
67 thousand dollars, or fraction thereof, by which the taxpayer's
68 Connecticut adjusted gross income exceeds said amount.

69 (E) For taxable years commencing on or after January 1, 2005, but
70 prior to January 1, 2006, in the case of any such taxpayer who files
71 under the federal income tax for such taxable year as an unmarried
72 individual whose Connecticut adjusted gross income exceeds fifty-six
73 thousand five hundred dollars, the amount of the credit that exceeds
74 one hundred dollars shall be reduced by ten per cent for each ten
75 thousand dollars, or fraction thereof, by which the taxpayer's
76 Connecticut adjusted gross income exceeds said amount.

77 (F) For taxable years commencing on or after January 1, 2006, but
78 prior to January 1, 2007, in the case of any such taxpayer who files
79 under the federal income tax for such taxable year as an unmarried
80 individual whose Connecticut adjusted gross income exceeds fifty-

81 eight thousand five hundred dollars, the amount of the credit that
82 exceeds one hundred dollars shall be reduced by ten per cent for each
83 ten thousand dollars, or fraction thereof, by which the taxpayer's
84 Connecticut adjusted gross income exceeds said amount.

85 (G) For taxable years commencing on or after January 1, 2007, but
86 prior to January 1, 2008, in the case of any such taxpayer who files
87 under the federal income tax for such taxable year as an unmarried
88 individual whose Connecticut adjusted gross income exceeds sixty
89 thousand five hundred dollars, the amount of the credit that exceeds
90 one hundred dollars shall be reduced by ten per cent for each ten
91 thousand dollars, or fraction thereof, by which the taxpayer's
92 Connecticut adjusted gross income exceeds said amount.

93 (H) For taxable years commencing on or after January 1, 2008, but
94 prior to January 1, 2009, in the case of any such taxpayer who files
95 under the federal income tax for such taxable year as an unmarried
96 individual whose Connecticut adjusted gross income exceeds sixty-
97 two thousand five hundred dollars, the amount of the credit that
98 exceeds one hundred dollars shall be reduced by ten per cent for each
99 ten thousand dollars, or fraction thereof, by which the taxpayer's
100 Connecticut adjusted gross income exceeds said amount.

101 (I) For taxable years commencing on or after January 1, 2009, in the
102 case of any such taxpayer who files under the federal income tax for
103 such taxable year as an unmarried individual whose Connecticut
104 adjusted gross income exceeds sixty-four thousand five hundred
105 dollars, the amount of the credit that exceeds one hundred dollars shall
106 be reduced by ten per cent for each ten thousand dollars, or fraction
107 thereof, by which the taxpayer's Connecticut adjusted gross income
108 exceeds said amount.]

109 (D) For taxable years commencing on or after January 1, 2003, in the
110 case of any such taxpayer who files under the federal income tax for
111 such taxable year as an unmarried individual whose Connecticut
112 adjusted gross income exceeds fifty-four thousand five hundred

113 dollars, the amount of the credit shall be reduced by ten per cent for
114 each ten thousand dollars, or fraction thereof, by which the taxpayer's
115 Connecticut adjusted gross income exceeds said amount.

116 (2) In the case of any such taxpayer who files under the federal
117 income tax for such taxable year as a married individual filing
118 separately whose Connecticut adjusted gross income exceeds fifty
119 thousand two hundred fifty dollars, the amount of the credit [that
120 exceeds one hundred dollars] shall be reduced by ten per cent for each
121 five thousand dollars, or fraction thereof, by which the taxpayer's
122 Connecticut adjusted gross income exceeds said amount.

123 (3) In the case of a taxpayer who files under the federal income tax
124 for such taxable year as a head of household whose Connecticut
125 adjusted gross income exceeds seventy-eight thousand five hundred
126 dollars, the amount of the credit [that exceeds one hundred dollars]
127 shall be reduced by ten per cent for each ten thousand dollars or
128 fraction thereof, by which the taxpayer's Connecticut adjusted gross
129 income exceeds said amount.

130 (4) In the case of a taxpayer who files under federal income tax for
131 such taxable year as married individuals filing jointly whose
132 Connecticut adjusted gross income exceeds one hundred thousand five
133 hundred dollars, the amount of the credit [that exceeds one hundred
134 dollars] shall be reduced by ten per cent for each ten thousand dollars,
135 or fraction thereof, by which the taxpayer's Connecticut adjusted gross
136 income exceeds said amount.

137 Sec. 3. (NEW) (*Effective from passage and applicable to taxable years*
138 *commencing on or after January 1, 2003*) For the fiscal year ending June
139 30, 2004, and for each fiscal year thereafter, the Commissioner of
140 Revenue Services shall segregate any increase of revenue with respect
141 to taxable years commencing on or after January 1, 2003, attributable to
142 the reduction of the credit allowed under section 12-704c of the general
143 statutes, as amended by this act. Such segregated funds shall be
144 allocated by the Secretary of the Office of Policy and Management to

145 the Department of Education in the amounts and for the purposes of
146 funding the grants under section 10-262h of the general statutes.

This act shall take effect as follows:	
Section 1	<i>July 1, 2003</i>
Sec. 2	<i>from passage and applicable to taxable years commencing on or after January 1, 2003</i>
Sec. 3	<i>from passage and applicable to taxable years commencing on or after January 1, 2003</i>

Statement of Purpose:

To increase the foundation of the education cost sharing formula, and to reduce the state income property tax credit and allocate the associated revenues to fund the education cost sharing formula.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]